

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC
205491090

31 January 2011

Dear Ms. Murphy,

Comments to Rules Regarding Disclosure of Payments by Resource Extraction Issuers - File Number S7-42-10

Please find below a response to the Securities and Exchange Commission (SEC)'s approved proposed rules implementing Section 1504 of the Dodd-Frank Consumer Protection and Wall Street Reform Act regarding disclosure of payments made by resource extraction issuers to governments.

LAPFF is a voluntary association of 52 local authority pension funds based in the UK. LAPFF exists 'to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they invest'. The Forum's members currently have combined assets of about £90 billion.

LAPFF is a member of the Extractive Industries Transparency Initiative (EITI) Investor Group that shows its support of the EITI via the Investors' Statement on Transparency in the Extractive Sector, which I attach for your reference.

As a supporter of EITI and its underlying principles, LAPFF believes that improved transparency about both payment and revenue flows is an important contributor to good governance by host governments. We therefore encourage the development of mechanisms to promote payments transparency that respect the following principles:

- **Confidentiality:** to ensure that existing contractual agreements and commercially sensitive information are respected;
- **Universality:** to ensure that improved disclosure standards apply to all parties. This includes joint ventures, state-owned extractive companies and their host governments;
- **Comprehensiveness:** ensuring that all relevant payments and revenues paid to governments are captured, and,

- **Comparability:** to enable data for different countries to be compared easily.

Given the above considerations, we welcome appropriate initiatives with similar and complementary objectives and feel that the proposed SEC disclosure requirements could serve as a valuable regulatory contributor in this space, so long as they are implemented in such a way that is consistent with EITI and minimise burdens on reporting companies.

Yours sincerely,

A handwritten signature in cursive script that reads "Ian Greenwood".

Cllr Ian Greenwood
Chairman
Local Authority Pension Fund Forum
c/o Bradford City Council
City Hall,
BRADFORD
West Yorks BD1 1HY
Ian.Greenwood@bradford.gov.uk

Investors' Statement on Transparency in the Extractives Sector

As institutional investors with exposure to companies operating around the world, we believe it is in the interest of the companies in which we invest to operate in a business environment that is characterised by stability, transparency and respect for the rule of law. These factors are essential to securing economic prosperity and social cohesion, which, in turn, enable the companies in which we invest to prosper. However, they are frequently undermined by poor standards of governance and transparency, which can give rise to corrupt operating environments.

We are concerned that extractive companies are particularly exposed to the risks posed by operating in these environments. Companies that make legitimate, but undisclosed, payments to governments may be accused of contributing to the conditions under which corruption can thrive. This is a significant business risk, making companies vulnerable to accusations of complicity in corrupt behaviour, impairing their local and global “licence to operate”, rendering them vulnerable to local conflict and insecurity, and possibly compromising their long-term commercial prospects in these markets.

We believe that improved transparency about both payment and revenue flows is an important contributor to good governance by host governments, although its effectiveness will depend on the success of wider initiatives to combat corruption and the misuse of revenues.

We recognise that the root of the governance problem often lies in underdeveloped local capacity in many host countries. However, in the light of the G8 discussions on corruption and increased international attempts to create transparency about revenue flows, we believe that the corporate sector has an important opportunity to support government and multilateral institutions by taking action to protect its own long-term interests.

We acknowledge that the corporate sector cannot single-handedly reform long-standing business practices such as lack of transparency over payments to government, nor can individual companies act alone without compromising their immediate commercial interests. However, we believe that reform will give the extractive companies in which we invest an opportunity to be seen as contributors to, and not just beneficiaries of, economic development and reconstruction.

We therefore encourage the development of mechanisms to promote payments transparency that respect the following principles:



HBOS plc



BOSTON COMMON
ASSET MANAGEMENT, LLC



Confidentiality: to ensure that existing contractual agreements and commercially sensitive information are respected;

- Universality: to ensure that improved disclosure standards apply to all parties. This includes joint ventures, state-owned extractive companies and their host governments;
- Comprehensiveness: ensuring that all relevant payments and revenues paid to governments are captured, and
- Comparability: to enable data for different countries to be compared easily.



We commend the Extractive Industries Transparency Initiative (EITI) process for seeking to develop an effective system of disclosure regarding payments in the mining, oil and gas sectors, which is supported by home and host governments, commercial and national companies, and other stakeholders.

Within the framework of the G8 discussions on payments transparency and the EITI, we are calling on the companies in which we invest to:

- Support the principles of payments disclosure developed by the EITI process;
- Work proactively with host country governments and other stakeholders, including other companies, to develop and implement payments transparency agreements within those countries that sign the principles;
- Become, or continue to be, active participants in the process to promote take-up of payments transparency agreements by host country governments that are not yet signatories to the principles.

We believe that the EITI principles may be relevant to other sectors, and welcome appropriate initiatives with similar objectives.

As institutional investors representing US\$16.0¹ trillion we actively support the development of international mechanisms to address payments transparency, and encourage other investors to join us in this statement.

August 2009²

For further information on this Statement or contact details for the Investors listed below, please contact Julie Mc Dowell, Head of SRI, Standard Life Investments julie_mcdowell@standardlife.com or +44 131 225 2345

¹ This figure is approximate as the assets of certain signatories may be partially included in the Assets Under Management figure of the Association of British Insurers.

² This Statement was originally drafted in May 2003, when it was signed by 10 original supporting investors. This version is updated as of August 2009 to include the organisations and contacts that have subsequently signed.





EITI INVESTOR GROUP



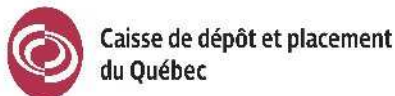
Aberdeen Asset Managers Ltd (UK) – Andrew Preston & Clare Payn
 ABP Investments – Stephen Lister
 AEGON Asset Management (UK) – Ryan Smith
 Allianz Global Investors France, David Diamond
 Amundi (France) – Micheline Thaumiaux
 Association of British Insurers (UK) – Lucy Butler
 Aviva Investors (UK) – Toby Belsom
 Baillie Gifford & Co (UK) – Kenny Bell
 Banco Fonder (Sweden) – Helena Hagberg
 Bâtirente (Canada) – Francois Meloche
 Boston Common Asset Management (US) – Dawn Wolfe
 Caisse de Dépôt et Placement du Québec (Canada) – Marie-Claude Provost
 CAAT Pension Plan (Canada) – Julie C. Cays
 CalPERS (US) – Dennis Johnson
 CalSTRS (US) – Janice Hester-Amey
 Calvert Group Ltd (US) – Lily Donge
 Canadian Labour Congress (Canada)
 CCLA (UK) – Helen Wildsmith
 Central Finance Board of the Methodist Church (UK) – Bill Seddon
 Christian Brothers Investment Services (US) – Julie Tanner
 Co-operative Insurance Society (UK) – Jo Allen
 CPP Investment Board (Canada) – Brigid Barnett
 (France) – Micheline Thaumiaux
 DnB Nor Asset Management/Carlson Investment Management- Allan Emanuelsson
 Dexia Asset Management (Belgium/France)
 Domini Social Investments (US) – Adam Kanzer
 Ecclesiastical Investment Management (UK) – Neville White
 Element Investment Managers (South Africa) – David Couldridge
 Ethical Funds (Canada) – Robert Walker
 Ethos Investment Foundation (Switzerland) – Caroline Schum
 F&C Management (UK) – Karina Litvack
 Fidelity Investments (UK)
 Folksam Insurance Group (Sweden)
 Fonds de Réserve pour les Retraites- Nada Villermain-Lécolier
 Första AP-fonden (AP1) (Sweden) – Nadine Viel Lamare
 Gartmore Investment Management plc (UK) – Tony Little
 Guilé Foundation (Switzerland) - Gilles Carbonnier
 Goldman Sachs Asset Management International (UK) – Alex Marshall
 Governance for Owners (UK) – Michelle Edkins
 Henderson Global Investors (UK) Anthony Marsden
 Hermes Investment Management Limited (UK) – Jennifer Walmsley
 Hospital of Ontario Pension Plan (HOOPP) (Canada)
 HSBC (UK) – Francis Sullivan
 I.D.E.A.M. – Integral Development Asset Management (France) –
 Micheline Bourny-Thaumiaux
 Illinois State Board of Investment (US) – William Attwood
 Inspire Invest –
 ING Investment Management (The Netherlands) – Hendrik-Jan Boer
 Insight Investment Management (UK) – Rachel Crossley
 JPMorgan Asset Management (US) – Amy Davidsen



State of Connecticut

Swiss Re





Jupiter Asset Management (UK) – Emma Howard Boyd
 Legal & General Investment Management (UK) – Peter Chambers
 Local Authority Pension Fund Forum (UK) – Tessa Younger
 Mn Services (Netherlands) – Kim Cartwright
 Newton Asset Management Ltd (UK) – Amanda Young
 New York State Common Retirement Fund (US) – George Wong
 Norges Bank Investment Management (NBIM) (Norway) – Ola Peter Krohn Gjesvang
 Nottinghamshire County Council (UK) – John Pearson
 Ohio Public Employees Retirement System (US) – Cynthia Richson
 Ontario Teachers' Pensions Plan (OTPP) (Canada) – Catherine Jackson
 PGGM (The Netherlands) – Karina Litvack, F&C
 Railpen Investments (UK) – Frank Curtiss
 RCM (UK) – Barbara Evans
 Rio Tinto Pension Investments Ltd (UK) – Stephen Burley
 Robecco (The Netherlands) – Wilco Van Heteren
 Sarasin (Switzerland) – Eckhard Plink
 Schroders Investment Management (UK) – Sue Livingston
 Scottish Widows Investment Partnership (SWIP) – Anne C Fraser
 Services Employees International Union (SEIU) (US) – Steve Abrecht
 SNS (The Netherlands) – Theo Dijkstra
 Standard Life Investments (UK) – Julie McDowell
 State of Connecticut (US) – Denise L. Nappier & Donald A. Kirshbaum
 State Street Global Advisors (US)
 Stichting Pensioenfonds ABP (The Netherlands) – Stephen Lister
 Storebrand (Norway) – Kristine Meiseingset
 Swiss Re Asset Management (Switzerland) – Paolo Sismondi
 The Dreyfus Premier Third Century Fund Inc and the Dreyfus Socially Responsible Growth Fund Inc (US) – John O'Toole
 TIAA-CREF (US) – Hye Won Ehoi
 Trades Union Congress (UK) – Janet Williamson
 Threadneedle Asset Management Ltd. – Therese Niklasson
 Trillium Asset Management (US)
 UBS Global Asset Management (UK) Ltd – Ian Pitfield
 Universities Superannuation Scheme (UK) – Dan Summerfield
 Walden Asset Management (US) – Tim Smith
 York University Pensions Fund (Canada) – Leona Fields



Governance for Owners



Association of British Insurers 51 Gresham Street, London EC2V 7HQ Tel: 020 7600 3333 Fax: 020 7696

